THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir.

(c) Reserve Bank of India has taken several steps to improve loan delivery by banks to different sectors including agriculture. These *inter-alia* include the following:-

(i) Time limits have been laid down for sanction of various types of loans;

(ii) Simplification of procedure/forms of application for loans to agriculture and SSI sectors;

(iii) Delegation of more powers to Branch Managers for lending;

(iv) Introduction of composite cash credit limits to agriculturists;

(v) Cash disbursement of agricultural loans;

(vi) Banks have been advised to fix the repayment programme taking various factors into account affecting the borrowers of agriculture sector;

(vii) Banks have been advised not to levy any penal interests/ service charges on priority sector loans upto Rs. 25000/-;

(viii) Waiver of margin/security on agricultural loans upto Rs. 50000/- and in case of agri-business and agri-clinics for loans upto Rs. 5 lakhs;

(ix) Kisan Credit Cards are in use for banking facilities to farmers.

(d) Does not arise.

Ownership of private banks

1372. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has framed new guidelines regarding ownership and control of private banks;

(b) if so, what are the details thereof; and

(c) the number and details of private banks in the country having FDI from foreign banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. Reserve Bank of India has formulated a draft comprehensive policy framework in regard to the ownership and governance of private sector banks. The details of the policy frame work are given in the Statement (See below).

(c)The following private banks have foreign direct investment as on date:—

(i) ING Vysya Bank Ltd—43.99% is held by Mauritius Holding and BBL Mauritius Investments (of Bank Brussels Lambers Group)

(ii) UTI Bank Ltd.—14.70% is held by HSBC Asia Pacific Holdings (UK) Ltd. (of HSBC Group).

(iii) Centurion Bank Ltd.—46.53% is held by Bank Muscat, Kephinance Investment Pte. Ltd, Sabre Capital Worldwide.

(iv) HDFC Bank Ltd.—13.18% is held by JP Morgan Chase Bank (ADS Depository).

(v) ICICI Bank Ltd.—26.06% is held by Deutsche Bank Trust Company Americas (ADRs Depository)

(vi) Indus Ind Bank Ltd.—31.10% is held by Indus Ind International Holdings Ltd. (vii) Development Credit Bank Ltd.—49.00% is held by The Agha Khan Fund Ltd. for Economic Development.

(viii) Yes Bank Ltd.—45.00% held by Rabobank International CVC International Russel AIF Capital Inc and Chrys Capital LLC II.

Statement

Details of Draft Comprehensive Policy Framework of Ownership and Governance of Private Sector Banks.

(i) All banks in private sector should have a net worth of Rs. 300 crore.

(ii) No single entity or group of related entities has shareholding or control, directly or indirectly, in any bank in excess of 10 per cent of the paid up capital of the private sector bark.

(iii) In respect of new license for private sector banks promoter

shareholding may be allowed to be higher to start with as at present, but will be required to be brought down to the limit of 10 per cent within a period of three years.

(iv) Any private sector bank will be allowed to hold shares in any other private bank only upto 5 per cent of the paid up capital of the investee bank.

(v) Any foreign bank with presence in India will be allowed to hold shares in any other private bank only upto 5 per cent of the paid up capital of the investee bank.

(vi) The percentage of FDI by single entity or group of related entitles may not exceed 10 per cent.

(vii) Not more than one member of a family or a close relative or an associate should be on the Board of the Bank.

Management of Global Trust Bank

1373. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have ordered the management of Oriental Bank of Commerce to take over the management, liabilities and assets of Golobal Trust Bank for proper functioning; and

(b) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) On the recommendations of Reserve Bank of India (RBI), an Extra-ordinary Gazette Notification has been issued by Government on 13th August, 2004 notifying the scheme of amalgamation of Global Trust Bank (GTB) with Oriental Bank of Commerce (OBC). This has been done in public interest and in the interest of the depositors. All the liability of the transferor bank (GTB) in respect of all deposit accounts including saving bank account and fixed deposits will be taken care by the transferee bank (OBC) and all the employees of the GTB shall continue in sen/ice and be deemed to have been appointed in the transferee bank (OBC) on the terms they have been working in GTB.